

## Frequently Asked Questions

### DRAFT AHSC Program Guidelines

**1. How is a Project Area defined and by whom (Section 102)?**

The Project Area is to be defined by the applicant or co-applicants. Appendix A (jii) of the Program Guidelines defines “Project Area” as the area encompassing transit, housing and Key Destinations used as a boundary within which the GHG reductions are projected (subject to forthcoming methodology from ARB). The eligible boundaries are subject to requirements of each project type; e.g., for TOD Projects, the qualifying Project Area must be within a ½ mile catchment area of a designated Major Transit Stop. For ICP Projects, the Project Area will vary by use, e.g., a bike path connecting a school and bus stop would include a neighborhood catchment area for the school.

**2. How is a Metropolitan Area defined (Section 102)?**

Metropolitan statistical areas are defined by the U.S. Office of Management and the Budget (OMB), most recently updated in [OMB Bulletin 13-01](#), February 28, 2013. Metropolitan Statistical Areas have at least one urbanized area of 50,000 or more population, plus adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.

**3. Can projects within a Metropolitan Area submit an application in the ICP category (Section 102(b))?**

Yes, if the Project Area meets the ICP requirements, i.e. the area lacks Qualifying High Quality Transit as required of TOD projects as outlined in Section 102(a)(3).

**4. What is the basis for the density requirements for Affordable Housing Developments (Section 103(a)(1)(D)(iv))?**

Density requirements included in the AHSC Program were originally developed for HCD’s TOD Program based on prevailing densities within identified community types (i.e. Large City Downtown, Urban Center, other). Throughout the implementation of the TOD Program, applicants have successfully met these density requirements. Based upon this experience and related research and studies, there is a strong link between land use patterns and density influencing lower VMT. With the strong focus of the AHSC Program on GHG reduction, primarily through reduced VMT, the density standards from the original TOD program have been maintained.

**5. What associated infrastructure costs for affordable housing are eligible costs (Section 103(a)(1)(F))?**

Only housing-related infrastructure costs required by a local governmental entity as a condition of approval of the development are eligible to be credited toward the requirement for 50% of available funds for affordable housing. Costs can include, but are not limited to, water or sewer system upgrades, streets, parking spaces, utility access, real property acquisition or impact fees ( $\leq \$200,000$ ) required by ordinance, etc.

**6. Are free or reduced priced transit passes an eligible cost (Section 103(b))?**

Transit pass subsidy programs are eligible uses as a transit ridership program. The AHSC Program is not, however, an ongoing source of revenue for operating programs. A business plan should be contemplated for how such a subsidy program is designed to be self-sustaining or supported beyond the term of the award.

**7. Is environmental remediation within Disadvantaged Communities (DACs) an eligible funded activity (Section 103, Table 5 (footnotes 1 & 2))?**

Environmental remediation, within a DAC or otherwise, may be eligible if required by a governmental entity and not to exceed 50% of the requested program grant funds.

**8. With the proposed maximum limits on the amount of program funds available each cycle, will the \$15 million limit be applied to individual cities within a County or to the County as a whole (Section 104(c))?**

The \$15 million limit individually applies to a city, city/county or the unincorporated areas of a county.

**9. What is the intent of requiring transit-related and/or green infrastructure grant amounts not exceed 50% of the total Capital Use Project (Section 104(g))?**

The intent of the requirement is to leverage other non-AHSC funds to finance the transportation or transit-related and/or green infrastructure costs. Note there is no cap on the percentage of total funds which may be allocated to a transit-related and/or green infrastructure use.

**10. What is the basis for requiring a public agency as a co-applicant (Section 105(a)(1)(A))?**

A public agency is required as a co-applicant for several reasons:

- One of the statutory threshold requirements is projects must be consistent with the Sustainable Communities Strategy (SCS) of a regional transportation plan. SCS' involve implementation of local government land use and transportation plans, through both development of capital projects and plans; both the TOD and ICP projects each require at least one capital use. These projects are subject to approval of entitlements

by local governments, and transportation infrastructure projects which are generally financed and implemented by local governments or public transit agencies.

- Leverage of these local funds is important; funds should be awarded to projects that are important to these agencies for implementing their plans.
- Furthermore, the program's GHG performance and reporting requirements are related to, and supportive of, other planning and reporting functions of local governments and transit agencies.

**11. Please clarify the reason for the 50% affordable housing and 50% disadvantaged community set-asides and how those set-aside requirements will be factored into the scoring and award selection process (Section 105(b)(9)).**

Pursuant to SB 862, the Program is required to award 50% of available funds to applications which benefit Disadvantaged Communities (Public Resources Code § 75214). In addition, 50% of the ongoing appropriations for the AHSC Program must be awarded for Affordable Housing (Health & Safety Code § 39719(b)(C)). These two requirements may be simultaneously met within one application or project – i.e. construction of an Affordable Housing Development within a

DAC. Once applications have been scored, filters will be applied to ensure both the Affordable Housing and Disadvantaged Community requirements are met prior to finalizing awards.

**12. How will GHG reductions be measured (Section 106(a) and Section 107)?**

The California Air Resources Board (ARB) is responsible for providing guidance on estimating greenhouse gas (GHG) emission reductions from all projects funded by the Greenhouse Gas Reduction Fund. As part of this responsibility, ARB staff are in the process of developing interim guidance for the first year of the Strategic Growth Council's Affordable Housing and Sustainable Communities (AHSC) program. This interim guidance would be used by AHSC grant applicants to estimate the range of potential GHG emission reductions from AHSC project proposals.

The first year interim guidance will focus on approaches to estimate the VMT changes and GHG emission reductions from AHSC proposed projects, based on the project's land use and transportation characteristics. To estimate vehicle miles traveled (VMT) changes and GHG emissions reductions, ARB is evaluating the potential to apply existing tools and methodologies to a project proposal. Examples of existing tools and methodologies under consideration include, but are not limited to, California Emissions Estimator Model (CalEEMod) and existing research results, such as the recent transportation and land use policy briefs developed by the University of California Davis (UCD) and University of Southern California (USC) under contract to ARB. We are interested in stakeholder feedback on the applicability of these approaches, and the availability of project, local, or region- specific data to support the use of academic studies, standardized modeling tools or calculators, or another approach.

Where available, ARB may consider the results from a project-level transportation analysis prepared for the proposed AHSC project as the basis for estimating GHG emissions reductions. To be eligible, the results of the transportation analysis should be accompanied by substantiated and transparent documentation of any VMT and trip reduction assumptions.

**13. As a threshold requirement, how do Alternative Planning Strategies (APS) fit into the Program for areas where a Sustainable Community Strategy (SCS) isn't present (Section 106(a)(2)?**

Pursuant to [Government Code 65080\(b\)\(2\)\(D\)](#) and applicable only to Metropolitan Planning Organizations (MPOs), an APS must be adopted if the MPO is unable to demonstrate a SCS which could comply with its GHG reduction target assigned by the Air Resources Board (ARB). Accordingly, applications for projects located within an MPO with an adopted an APS, must demonstrate, as a threshold requirement, that the project would implement the APS. A project proposal in an area covered by an APS is subject to the GHG reduction requirements of this AHSC Program.

**14. Are grantees required to report on metrics and monitor GHG reductions? Who is responsible and for how long? (Section 110(a))**

Yes. The Recipient will be responsible for GHG reduction reporting requirements, pursuant to pending ARB guidance. The Council and Department are required to report annually pursuant to AB 1532 (H&SC 39720) and ARB is required to establish reporting guidance for all state agencies administering auction proceeds (Government Code 16428.9). While specific reporting requirements for SGC awardees have not yet been detailed, during the term of the Standard Agreement, an annual performance report will be required which will include, but is not limited to, demonstration and reporting of GHG reductions and other project outcomes.